



May 19, 2003

Four are sentenced to prison in “Lemon Tree” investment scam

34 victims lost a total of \$654,000 to the scheme, in which the defendants misrepresented the status and performance of three companies

A federal judge has sentenced four defendants to prison terms of between one and four years for their roles in an investment fraud scheme in which they misrepresented the status and performance of three companies and used investor’s money for their own purposes. The defendants bilked 34 victim investors in eight states out of a total of \$654,000.

United States Attorney Margaret E. Curran announced the sentences, which U.S. District Court Judge Mary M. Lisi imposed in separate hearings Friday and today in U.S. District Court, Providence. The four were sentenced as follows:

Robert Felleman, 57, an attorney from West Roxbury Massachusetts, sentenced on May 16 to 48 months;

Vincent DiGiulio, 65, of 22 Middle Street, North Kingstown, sentenced today to 30 months;

Robert Calestino, 52, of 15 Ann Court, Cranston, sentenced on May 16 to one year;

John Keenan, 64, of 156 Greenwich Avenue, Warwick, sentenced on May 16 to one year.

Off-shore accounts

Judge Lisi allowed three of the defendants to surrender voluntarily to prison. However, the judge deemed Felleman a flight risk, noting that he had wired more than \$200,000 to

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off-shore accounts in Lebanon and Nigeria, and ordered him taken into custody immediately after sentencing.

Judge Lisi also ordered the defendants to make full restitution to the victims.

Lemon Tree, Carribean Funding

All four defendants previously pleaded guilty to conspiracy to commit mail fraud and wire fraud. Keenan and DiGiulio also pleaded guilty to filing false income tax returns.

At the plea hearings, Assistant U.S. Attorneys Luis M. Matos and Andrew J. Reich said that the defendants used fraudulent information to entice individuals to invest in **Lemon Tree Enterprises**, which was formed in 1996 to sell frozen lemonade, **Carribean Funding**, which was formed to purportedly finance property sales in the Carribean, and **Millennium Group Holdings**, purportedly a holding company for Lemon Tree and Carribean Funding.

The conspirators solicited victim investors to purchase shares of stock and extend loans to the three companies. To encourage investors, they provided false information to make the companies appear to be attractive investments. After the investors' funds were deposited into company bank accounts, most of the funds were withdrawn by the conspirators and used for their personal benefit.

Losses incurred by each of the 34 victims ranged from \$1,200 to \$220,000. One family in Rhode Island invested a total of \$140,000 in the three companies, including \$20,000 that family members withdrew from an IRA account.

The case was investigated by the **Federal Bureau of Investigation** and the **Internal Revenue Service, Criminal Investigations**. It was prosecuted by Assistant U.S. Attorneys Matos and Reich.